

CLAUSE I-107 – PROTECTING SURAS AND/OR THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (August 2002)

- (a) The Government suspends or debar contractors to protect the Government's interests. The Subcontractor shall not enter into any lower-tier subcontract in excess of the small purchase limitation at FAR 13.000 with a contractor that has been debarred, suspended, or proposed for debarment unless there is a compelling reason to do so.
- (b) The Subcontractor shall require each proposed first-tier subcontractor, whose subcontract will exceed the small purchase limitation at FAR 13.000 to disclose to the Subcontractor, in writing, whether as of the time of award of the lower-tier subcontract, the lower-tier subcontractor, or its principals, is or is not debarred, suspended, or proposed for debarment by the Federal Government.
- (c) A corporate officer or designee of the Subcontractor shall notify the Subcontracting Officer, in writing, before entering into a lower-tier subcontract with a party that is debarred, suspended, or proposed for debarment (see FAR 9.404 for information on the List of Parties Excluded from Procurement Programs). The notice must include the following:
  - (1) The name of the lower-tier subcontractor;
  - (2) The Subcontractor's knowledge of the reasons for the lower-tier subcontractor being on the list of Parties Excluded from Procurement Programs;
  - (3) The compelling reason(s) for doing business with the lower-tier subcontractor notwithstanding its inclusion on the List of Parties Excluded from Procurement Programs; and
  - (4) The systems and procedures the Subcontractor has established to ensure that it is fully protecting SURAS interests when dealing with such lower-tier subcontractor in view of the specific basis for the party's debarment, suspension, or proposed debarment.